"A COMPARATIVE STUDY OF CUSTOMER SATISFACTIONOF PUBLIC AND PRIVATE SECTOR BANKING SERVICES IN BEED DISTRICT"

A Synopsis submitted for Ph.D.
Registration in Commerce

Submitted to

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NANDED

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1.1. Introduction:

A bank is a financial institution which accepts deposits, pays interest on pre-defined rates, clears checks, makes loans, and often acts as an intermediary in financial transactions. It also provides other financial services to its customers.

A bank is a financial institution that provides banking and other financial services to their customers. A bank is generally understood as an institution which provides fundamental banking services such as accepting deposits and providing loans. There are also nonbanking institutions that provide certain banking services without meeting the legal definition of a bank. Banks are a subset of the financial services industry. A banking system also referred as a system provided by the bank which offers cash management services for customers, reporting the transactions of their accounts and portfolios, throughout the day.

The Banks are the main participants of the financial system in India. The Banking sector offers several facilities and opportunities to their customers. All the banks safeguards the money and valuables and provide loans, credit, and payment services, such as checking accounts, money orders, and cashier's cheques. The banks also offer investment and insurance products. Modern banks deal with banking activities on a larger scale and abide by the rules made by the government.

The origin of bank or banking activities can be traced to the Roman Empire during the Babylonian period. It was being practiced on a very small scale as compared to modern day banking and frame work was not systematic.

1.1.Definition of Bank:

In simple words, we can say that Bank is a financial institution that undertakes the banking activity i.e.it accepts deposits and then lends the same to earn certain profit.

Chamber's Twentieth Century Dictionary defines a bank as an "institution for the keeping, lending and exchanging, etc of money."

"A bank is a financial institution licensed to receive deposits and make loans. Banks may also provide financial services, such as wealth management, currency exchange, and safe deposit boxes."

1.2.Definition of Banking:

In simple words, Banking can be defined as the business activity of accepting and safeguarding money owned by other individuals and entities, and then lending out this money in order to earn a profit.

In short banking means the business of a bank or a banker.

1.3.Growth of Banking System in India:

The journey of banking system in India can be put into three different phases based on the services provided by them. The entire evolution of banking can be described in these distinct phases −

Phase 1

This was the early phase of banking system in India from 1786 to 1969. This period marked the establishment of Indian banks with more banks being set up. The growth was very slow in this phase and banking industry also experienced failures “between” 1913 to 1948.

The Government of India came up with the banking Companies Act in 1949. This helped to streamline the functions and activities of banks. During this phase, public had lesser confidence in banks and post offices were considered more safe to deposit funds.

Phase 2

This phase of banking was “between” 1969 to 1991, there were several major decisions being made in this phase. In 1969, fourteen major banks were nationalized. Credit Guarantee Corporation was created in 1971. This helped people avail loans to set up businesses.

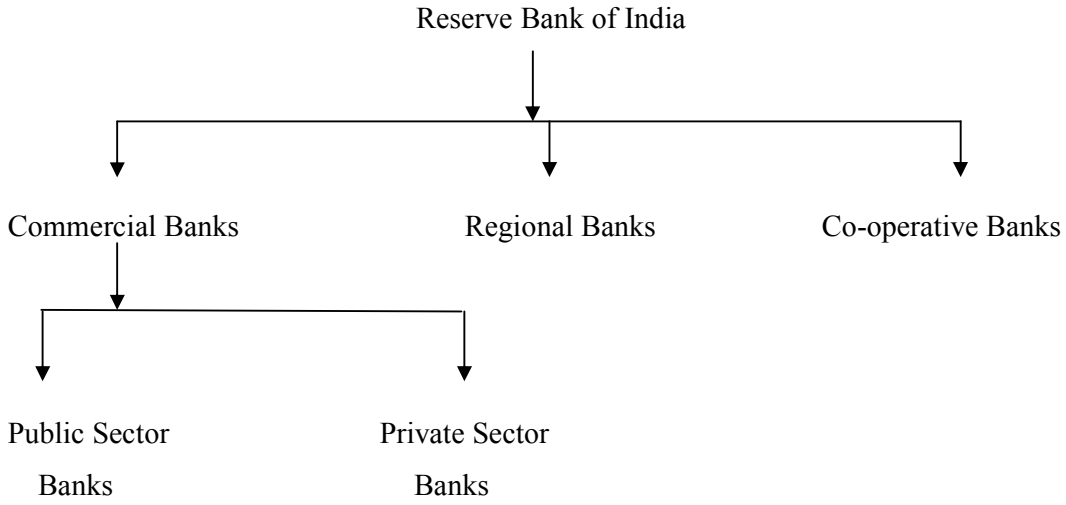
In 1975, regional rural banks were created for the development of rural areas. These banks provided loans at lower rates. People started having enough faith and confidence on the banking system, and there was a plunge in the deposits and advances being made.

Phase 3

This phase came into existence from 1991. The year 1991 marked the beginning of liberalization, and various strategies were implemented to ensure quality service and improve customer satisfaction.

The ongoing phase witnessed the launch of ATMs which made cash withdrawals easier. This phase also brought in Internet banking for easier financial transactions from any part of world.

1.4.Indian Banking Structure:



Public Sector Banks: Public Sector Banks (PSBs) are a major type of bank in India, where a majority stake (i.e. more than 50%) is held by a government.Public Sector Banks or PSBs are those banks where the direct holding of the Central/State Government or other PSBs is 51% or more.

1. Allahabad Bank
2. Andhra Bank
3. Bank of Baroda
4. Bank of India
5. Bank of Maharashtra
6. Canara Bank
7. Central Bank of India
8. Corporation Bank
9. Idbi Bank Ltd.
10. Ind Bank Housing Ltd.
11. Indbank Merchant Banking Services Ltd.
12. Indian Bank
13. Indian Overseas Bank
14. Jammu & Kashmir Bank Ltd.,The
15. Oriental Bank of Commerce

16. Pnb Gilts Ltd.
17. Punjab & Sind Bank
18. Punjab National Bank
19. State Bank of India
20. Syndicate Bank
21. Uco Bank
22. Union Bank of India
23. United Bank of India

Private Sector Banks: These include banks in which major stake or equity is held by private shareholders. All the banking rules and regulations laid down by the RBI will be applicable on private sector banks as well.

List of private banks in India: Presently there are about 22 private sector banks in India. Listed below are the names of the private sector banks that are currently operating in the country:

1. Axis Bank
2. City Union Bank
3. DCB Bank
4. Dhanlaxmi Bank
5. Digibank (DBS)
6. Federal Bank
7. HDFC Bank
8. ICICI Bank
9. IDFC Bank
10. IndusInd Bank
11. Jammu and Kashmir Bank
12. Karnataka Bank
13. KarurVysya Bank
14. Kotak Mahindra Bank
15. Lakshmi Vilas Bank
16. Nainital Bank
17. RBL Bank
18. YES Bank, etc.

1.5. Statement of Problems:

1. Banking authority and staff's responds towards customers.
2. Scams in banking and its effects of customer satisfaction.
3. Customer satisfaction and interest rate.
4. Customer satisfaction and recovery of loan.
5. Lack in reliability of banking services (ATM's/Debit card/ Credit card/ DD/ Locker facility, etc)

1.6. Objectives of the study:

1. To study the Historical background of commercial banks.
2. To criticize banking services among public sector and private sector banks.
3. To find out customer satisfaction towards public sector and private sector banking services.
4. To review the government policies and analyse working performance and policies of public sector and private sector banks to satisfy their customers.
5. To reveal deference between customers satisfaction of public sector and private sector banking services.

1.7. Hypotheses:

H0: The banking services of public sector and private sector banks have differentiation.

H1: The banking services of public sector and private sector banks have not differentiation.

1.8. Research Methodology:

The study is based on primary as well as secondary data:

Primary Data:

It is the information collected during course of an experiment during experimentalresearch. It can also be obtained through observation or through direct communication, withperson associated with the selected subject performing surveys.

I will be collected primary data with the help of surveys,personal interview and structured questionnaire method from the respondents. The interview will be structured interview, which used a set of predetermined questionnaire and standardisedtechniques.

Secondary Data:

Apart from collecting information from the primary sources, secondary data will be collected from various sources such as lead bank of Beed district, reports of socio economics reviews and district statistical abstract, Beed district gazette, economic survey of India and Maharashtra, published books, journals, news papers and various websites.

Research Design and Sampling:

The study is based on both empirical and analytical study on the basis of selected samples for the research and the sampling method used will be purposive sampling. The study uses both primary and secondary data.

Sample Size:

Sample size will be 1000. The respondents will be banking customer of public and private sector banks in different talukas located in Beed district.

Statistical tools and techniques:

The various tools and techniques such as tables, percentage, ratios, graphs, simple average method, weighted average method, co-efficient of correlation and other statisticaltools and techniques will be used for analysis and interpretation of data.

1.9. Limitations of the Study:

The present study is confined with 1000 respondents from 40 banks in Beed district of Marathwada region. The respondents are only fromBeed district of Marathwada region.

The information's will be collected from the respondents within the period limit of 2011-2020 yearsand study is static in nature while the satisfaction of the customers varying according to the change in the services quality of the banks.

1.10. Chapter Scheme:

1. Introduction
2. Review of literature
3. Economy of Beed district
4. Overview of public sector and private sector banks
5. Government and Banking policies and schemes for customer
6. Comparative analysis and interpretation of data
7. Summary, conclusion and suggestions

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